

Message Text

UNCLASSIFIED

PAGE 01 NEW DE 10169 311531Z

53

ACTION NEA-16

INFO OCT-01 ISO-00 AGR-20 PM-07 NSC-07 SP-03 SS-20 RSC-01

CIAE-00 INR-11 NSAE-00 PRS-01 EB-11 AID-20 COME-00

OMB-01 TRSE-00 CIEP-03 DRC-01 /123 W

----- 052469

R 311422Z JUL 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3005

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS NEW DELHI 10169

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR IN

SUBJECT: INDIAN FERTILIZER SITUATION

REF: STATE 162872

SUMMARY: IN ANSWER TO REF MESSAGE, A POSSIBLE 10-15 PERCENT INCREASE IN FERTILIZER AVAILABILITY IN 1974-75 OVER 1973-74 IS NOT INCONSISTENT WITH ASSUMPTION OF A CONTINUING SHORTAGE OF FERTILIZER IN INDIA. WHETHER THERE IS A CONTINUING SHORTAGE WOULD OBVIOUSLY DEPEND ON OVERALL DEMAND. WE HAVE INDICATED IN PREVIOUS MESSAGES THAT THERE IS A VERY LARGE GAP BETWEEN ASSUMED DEMAND AND LIKELY AVAILABLE FERTILIZER SUPPLIES. END SUMMARY.

1. A POSSIBLE 10-15 PERCENT INCREASE IN FERTILIZER AVAILABILITY (I.E. FERTILIZER USED) IS NOT INCONSISTENT WITH ASSUMPTION OF A CONTINUING SHORTAGE OF FERTILIZER IN INDIA. IN A STATEMENT TO PARLIAMENT LAST WEEK, MINISTER OF STATE FOR AGRICULTURE, AP SHINDE, INDICATED 3.2 TO 3.3 MILLION TONS OF FERTILIZER (NUTRIENT BASIS) WOULD LIKELY BE AVAILABLE DURING 1974-75 AS COMPARED TO 2.8 MILLION TONS IN 1973-74. THIS WOULD REPRESENT AN INCREASE IN SUPPLIES OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NEW DE 10169 311531Z

14-18 PERCENT ABOVE LAST YEAR'S RECORD LEVEL.

2. IN OUR MAY SUBMISSION IN RESPONSE TO STUDY BEING CONDUCTED ON WORLD FERTILIZER SITUATION, WE ESTIMATED A MORE CONSERVATIVE CONSUMPTION OF FERTILIZER DURING 1974-75, AT APPROXIMATELY 3.1 MILLION TONS OR ABOUT 10 PERCENT ABOVE LAST YEAR.

3. ALTHOUGH MR. SHINDE HAS CONTINUED TO ASSURE MEMBERS OF PARLIAMENT THAT 3.2 TO 3.3 MILLION TONS OF FERTILIZER WILL BE AVAILABLE, HE CONCEDES THAT THIS REPRESENTS A GAP BETWEEN SUPPLY AND ESTIMATED DEMAND OF AT LEAST 25 PERCENT. IN THAT CONTEXT, THERE WOULD BE A SUPPLY SHORTAGE IN RELATION TO FARMER DEMAND OF SOME 1.1 MILLION TONS ASSUMING SUPPLIES OF 3.3 MILLION TONS AND AN ESTIMATED DEMAND OF 4.4 MILLION TONS.

4. WE CURRENTLY ESTIMATE TOTAL FERTILIZER PRODUCTION DURING U.S. FY 1974-75 WILL APPROXIMATE 1.7 MILLION TONS. ONE OF THE IMPORTANT ASSUMPTIONS IN OUR ESTIMATE IS THAT POWER SHORTAGES FOR THE FERTILIZER INDUSTRY WILL BE NO WORSE THAN LAST YEAR. A CONTINUED POOR MONSOON COULD FORCE A FURTHER CUTBACK IN THE GENERATION OF HYDRO-ELECTRICITY WHICH IN TURN WOULD ADVERSELY EFFECT THE FERTILIZER INDUSTRY AS WELL AS OTHER INDUSTRIES.

5. GIVEN OUR ABOVE ESTIMATE OF PRODUCTION AND ASSUMING NO CHANGES IN STOCK LEVELS, INDIA WOULD NEED TO IMPORT ABOUT 1.4 TONS OF FERTILIZER TO MEET OUR CONSUMPTION ESTIMATE. IMPORTS AT THIS LEVEL WOULD BE ABOUT 100,000 TONS ABOVE THE PREVIOUS YEAR. WE HAVE BEEN UNABLE TO OBTAIN CONFIRMATION OF THE AMOUNT PURCHASED SO FAR THIS YEAR. UNOFFICIALLY WE HAVE HEARD THAT CONTRACTS FOR AROUND 1.1 MILLION TONS HAVE BEEN NEGOTIATED. IT APPEARS THAT FERTILIZER SUPPLIES FROM RUSSIA AND EASTERN EUROPE MAY BE MORE IN 1974-75 THAN IN 1973-74. HOWEVER, EVEN IF THE AMOUNT ARRANGED FOR FROM ALL SOURCES CURRENTLY TOTALS 1.1 MILLION OR MORE, THERE IS STILL THE QUESTION OF WHETHER INDIA WILL BE ABLE TO GET FULL DELIVERY OF THE CONTRACTED AMOUNT.

6. WE CANNOT POSITIVELY PREDICT AT THIS TIME IF INDIA WILL MEET OUR PRODUCTION ESTIMATES OF 1.7 MILLION TONS OR WILL COMMIT THE FOREIGN EXCHANGE NECESSARY FOR IMPORTS TO MAKE UP DIFFERENCE BETWEEN PRODUCTION AND WHAT MR. SHINDE HAS PROMISED.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 NEW DE 10169 311531Z

GIVEN MR. SHINDE'S PREDICTION OF THE AVAILABILITY OF 3.2 TO 3.3 MILLION TONS OF FERTILIZER IN 1974-75 AND OUR EARLIER MORE CONSERVATIVE ESTIMATE OF APPROXIMATELY 3.1, THE AVAILABILITY OF SUPPLIES IN 1974-75 WOULD BE ABOUT 10-18 PERCENT ABOVE THE PREVIOUS YEAR BUT PRESUMABLY SHORT OF FARMER DEMAND. MOYNIHAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRODUCTION, REPORTS, DATA, FERTILIZERS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974NEWDE10169
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740208-0653
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974073/aaaaabvt.tel
Line Count: 113
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 162872
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 21 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 OCT 2002 by ThomasVJ>; APPROVED <21 JAN 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDIAN FERTILIZER SITUATION
TAGS: EAGR, IN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005